

HEARING DATE AND TIME: March 1, 2011 at 9:45 a.m. (Eastern Time)  
RESPONSE DEADLINE: February 25, 2011 at 4:00 p.m. (Eastern Time)  
(extended by agreement)

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Attorneys for Sentry Insurance a Mutual Company  
and Sentry Select Insurance Company

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

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<b>In re</b>	:	<b>Chapter 11 Case No.</b>
	:	
<b>MOTORS LIQUIDATION COMPANY,</b>	:	<b>09-50026 (REG)</b>
<b><i>et al.</i>, f/k/a General Motors Corp., <i>et al.</i></b>	:	
	:	
<b>Debtors.</b>	:	<b>(Jointly Administered)</b>
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**RESPONSE OF SENTRY INSURANCE A MUTUAL COMPANY AND SENTRY SELECT  
INSURANCE COMPANY TO DEBTORS' MOTION FOR ENTRY OF ORDER  
ESTABLISHING CLAIMS RESERVES IN CONNECTION WITH DISTRIBUTIONS  
TO BE MADE UNDER THE DEBTORS' AMENDED JOINT CHAPTER 11 PLAN  
WITH RESPECT TO, AMONG OTHER THINGS,  
CERTAIN UNLIQUIDATED CLAIMS**

Sentry Insurance a Mutual Company ("Sentry Insurance") and Sentry Select Insurance Company ("Sentry Select"), by their attorneys, hereby respond to the Debtors' Motion For Entry Of Order Establishing Claims Reserves In Connection With Distributions To Be Made Under The Debtors' Amended Joint Chapter 11 Plan With Respect To, Among Other Things, Certain Unliquidated Claims (the "Motion") filed by Motors Liquidation Company (f/k/a General Motors Corporation) and its affiliated debtors, as debtors in possession (collectively, the "Debtors") and state as follows:

1. Sentry Insurance and Sentry Select are filing this response to preserve their rights under section 502(j) of the Bankruptcy Code.

2. On November 24, 2009, Sentry Insurance and Sentry Select each filed two proofs of claim: one against Motors Liquidation Company f/k/a General Motors Corp. ("GM") and one against MLCS, LLC, f/k/a Saturn LLC ("Saturn"). The proofs of claim are summarized below:

<u>Claimant</u>	<u>Debtor</u>	<u>Claim No.</u>
Sentry Insurance	GM	44307
Sentry Insurance	Saturn	44304
Sentry Select	GM	44306
Sentry Select	Saturn	44884

3. Sentry Insurance and Sentry Select issued product liability insurance policies to certain GM and Saturn auto dealerships prior to the commencement of the Debtors' chapter 11 cases. Copies of the proofs of claim are attached hereto collectively as Exhibit A. Each of the proofs of claim relate to different policies and different dealerships.

4. At the time that the proofs of claim were filed, the claims were all unliquidated.

5. Subsequent to the filing of the proofs of claim, one of them (Claim No. 44306) has become liquidated, in part. On July 30, 2009, a lawsuit was filed by DEF Properties against C Thompson Automotive, Inc. (a dealer) and GM in the State Court of South Carolina. The complaint alleged damages due to defective parts and improper service. Sentry Select settled the litigation by making a payment on behalf of the dealer to DEF Properties in the amount of \$340,000. Sentry Select also incurred attorneys' fees of \$10,540 in connection with this matter. Additionally, at this time there are four other lawsuits pending against former GM dealers insured by Sentry Select. To date, Sentry Select has incurred approximately \$230,000 in attorneys' fees related to these matters.

6. On January 14, 2011, the Bankruptcy Court entered an order granting the Debtors' 110<sup>th</sup> Omnibus Objection to Claims disallowing and expunging certain claims referred to as "Contingent Co-Liability Claims" under section 502 (e)(1)(B) of the Bankruptcy Code.<sup>1</sup> Claim No. 44306 and Claim No. 44307 were included among the claims disallowed by the order.

7. Sentry Select intends to file a motion pursuant to section 502(j) of the Bankruptcy Code for reconsideration of Claim No. 44306 to allow the foregoing fixed and liquidated portion of the claim.

8. Sentry Insurance and Sentry Select reserve the right to have their claims reconsidered to the extent they become further fixed and liquidated, pursuant to section 502(j) of the Bankruptcy Code.<sup>2 3</sup>

9. Sentry Insurance and Sentry Select believe that the aggregate amount of their four proofs of claim (including the liquidated amounts described above) shall not exceed \$1,800,000.

WHEREFORE, Sentry Insurance and Sentry Select pray that any order entered on the Motion be without prejudice to the rights of Sentry Insurance and Sentry Select to request

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<sup>1</sup> Sentry Insurance and Sentry Select did not receive notice of the Debtors' 110<sup>th</sup> Omnibus Objection to Claims.

<sup>2</sup> On January 26, 2011, the Debtors filed their 159<sup>th</sup> Omnibus Objection to Claims in which the Debtors seek to disallow Claim No. 44884 as a Contingent Co-Liability Claim under section 502 (e)(1)(B) of the Bankruptcy Code.

<sup>3</sup> On December 21, 2010, the Debtors filed their 120<sup>th</sup> Omnibus Objection to Claims seeking to disallow Claim No. 44304 on the basis that it is identical to and duplicative of Claim No. 44306. On January 26, 2011, Sentry Insurance and Sentry Select filed a response to the Debtors' 120<sup>th</sup> Omnibus Objection advising the Debtors that the two claims are not duplicative. The hearing with respect to these claims was adjourned to April 26, 2011.

reconsideration of any of their claims to the extent that the are currently or in the future become fixed and unliquidated.

SENTRY INSURANCE A MUTUAL COMPANY  
SENTRY SELECT INSURANCE COMPANY

Dated: February 24, 2011

/s/ David A. Golin  
David A. Golin

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**CERTIFICATE OF SERVICE**

I, David A. Golin, an attorney, hereby certify that on February 24, 2011, the **Response of Sentry Insurance A Mutual Company and Sentry Select Insurance Company to Debtors' Motion For Entry Of Order Establishing Claims Reserves In Connection With Distributions To Be Made Under The Debtors' Amended Joint Chapter 11 Plan With Respect To, Among Other Things, Certain Unliquidated Claims** was filed *electronically* through the Court's ECF Filing System and served via overnight delivery to the entities and individuals listed on the attached Service List.

/s/ David A. Golin

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**SERVICE LIST**

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